

increase in social security earnings test.

In other words, Mr. Speaker, what this piece of legislation did or this attempt on the motion to recommit was a lot more than the four items which were mentioned here. Quite frankly, this is one Member who was influenced by what he said and what he put on that board and would be tremendously impacted by that, perhaps even at the sake of a vote and I think that is a real problem in the House of Representatives.

Quite frankly, I have a problem with motions to recommit anyhow. They come in at the last minute. You have 10 minutes to consider them. This is a general problem, I am speaking to now. Unfortunately, sometimes these things can try to get slipped by in the course of oral testimony which is given here usually when the chambers are filled and it makes it very, very difficult.

I would like to make this a part of the RECORD. I did not put this together. It was done by the Ways and Means people. If somebody wants to try to split hairs and take it apart, fine, that could be done.

Mr. SOLOMON. Would the gentleman yield?

Mr. CASTLE. I will yield to the gentleman from New York.

Mr. SOLOMON. I would just like to say to the gentleman, he is absolutely correct. I even spoke to some Members of the Democratic party on that side who had the sense to vote against that motion to recommit and when they found out that this was in there, they were just outraged that they would be misled this way. I just thank the gentleman for bringing this to Members' attention.

Mrs. SMITH of Washington. Would the gentleman yield?

Mr. CASTLE. I will yield to the gentlewoman from Washington.

Mrs. SMITH of Washington. I was really confused during the vote, but am I to understand that when people file their tax return next year that there was another provision in there, too, that would have eliminated a child tax credit in the first year? I do not think he said that either. He then reduces it from 500 to 100 the next 2 years and raises it back. Otherwise, he basically eliminated any benefit. I do not recall that that was made a point. Did I miss that?

Mr. CASTLE. Reclaiming my time, the gentlewoman is absolutely correct. You did not miss it. It was not made a point. It does eliminate it for one year. It is a lower level altogether to begin with. He did state it was a lower income level, but there was some question about what that particular level was but clearly the other omissions were not stated.

Mrs. SMITH of Washington. So when they file their tax returns, if they have two kids next year, right now they would have \$1,000 they could keep to buy a washer or dryer or something for their family. Under this, they would

have to wait for 2 years out, hopefully, and then it would be reduced.

Mr. CASTLE. That is correct the way it has been interpreted.

Mrs. SMITH of Washington. That would have been wrong. He would have been eliminating the children's tax credit.

Mr. CASTLE. Mr. Speaker, may I ask unanimous consent to have this submitted as part of the record?

The SPEAKER pro tempore. Is there objection to the request of the gentleman?

There was no objection.

WHAT GEPHARDT "FORGOT" TO TELL US  
ABOUT HIS MOTION TO RECOMMIT

Page 3 (bottom) "strike subtitle A of title VI of the bill (other than section 6101)."

This eliminates the tax credit to reduce marriage penalty.

This eliminates the American dream savings accounts.

This eliminates the spousal IRA.

Gephardt failed to mention that he eliminates the child tax credit in the first year, then reduces it from \$500 to \$100 for the next two years and raises it to \$300 thereafter (see page 4).

He also failed to mention that he reduces income eligibility for the child tax credit from \$200,000 to \$60,000 (representing it as \$95,000).

\*Page 5 (top) "strike subtitles B, C, D, and E of title VI."

This eliminates the repeal of the tax on Social Security benefits.

This eliminates the tax preference for long-term insurance, accelerated death benefits and long-term care benefits.

This eliminates the capital gains tax reduction.

This eliminates the neutral cost recovery provisions.

This eliminates the repeal of the alternative minimum tax.

This eliminates the taxpayer debt buydown.

This eliminates small business expensing.

This eliminates the elderly care tax credit.

This eliminates the tax credit for adoption.

This eliminates the increase in Social Security earnings test.

#### CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. The gentleman from New York [Mr. OWENS] is recognized for five minutes.

Ms. JACKSON-LEE. Mr. Speaker, I would ask unanimous consent to take the place of Mr. OWENS, please. I am Ms. JACKSON-LEE from Texas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman?

There was no objection.

#### GEPHARDT TAX SUBSTITUTE CLEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I think it is important as I heard the discussion with my colleagues on the other side of the aisle I heard some individuals talking about confusion and

not knowing what they voted for. I think it is important that the American people but as well my constituents in the State of Texas really focus on what we did tonight.

First of all, I think it was very clear what the Gephardt tax substitute did. If focused on reducing the deficit at the same time as if did in giving the right kind of tax benefits to those working Americans. But what it did for the State of Texas and this was what the State of the Texas would lose under the rescissions bill, which unfortunately was passed, and this was simply to give this uninformed and incorrect and biased tax cut to those who do not need it.

So we are losing family nutrition. We are going to lose in AFDC training and emergency assistance, school nutrition, Medicaid. We are going to lose summer jobs and, yes, our college students are going to lose their ability to go to college with the college loans.

Mr. Speaker, I would simply say that even with the so-called Republicans that support this tax cut, in the quite moments of reflection they tell the truth. What about the capital gains Tax? Is that widely popular among business? Let me tell you what they have said.

"The rationale is to encourage Americans to save and invest more of their money." This is in the Washington Post with an article in headlines, GOP Tax Cut Publicly Backed But Privately Doubt. "A goal supported by nearly all economists, but even those who support it concede," meaning the capital gains tax, "there is no evidence that it will work. In all honesty, as an economist I cannot say that a change in the capital gains rate will have any measurable impact on savings or investment."

There goes your tax cut for the business folk. Then this is supposed to be a jewel. It is simply paste.

Let me tell what you the Gephardt tax cut did. What it did is it ensured that we would be able to assess each time we were getting a cut as to whether or not it met the test of cutting the deficit. Each year, 1996, 1997, 1998, 1999, 2000, 2001, we were going to determine deficit targets: 150 billion, 125 billion, 100 billion, 75 billion, 50 billion, and 25 billion.

But most of all, Mr. Speaker, I think the most important point is that we would have a tax cut that responded to working Americans.

I see the gentleman from Louisiana [Mr. FIELDS] and I wanted to yield to him and make an inquiry, because we are confronted and faced with hard decisions in this Congress. I do not think we are afraid of hard decisions.

Mr. FIELDS of Louisiana. Without question. I thank the gentlewoman for yielding.

One of the points that I wanted to make was the point of the alternative minimum tax proposal that was eliminated in this piece of legislation. I

mean, the whole purpose of this measure that was passed in 1986 was because of the fact that we had about 130 to 250 corporations that pay zero in taxes.

This was a big loophole in our tax law, so we passed this legislation so we could make sure that corporations paid their fair share.

Now, if the gentlewoman would continue to yield, even corporations, the very corporations that we are giving this big tax break to today as a result of the passage of this act a few minutes ago, if these corporations' board of directors would meet across the country, and if they are in the red, these board of directors members will not give their shareholders a tax dividend because they are in the red. This company, this country is in the red. It is in the red because we are facing a huge deficit.

We are Members of Congress, we really are a board of directors for the United States of America. So I think it is our fiduciary responsibility as members of the board of directors for the United States of America to make sure that we not give a tax dividend to our shareholders when our corporation, which is the United States of America, is not as solvent as we want it to be.

So if corporations themselves will not give shareholders a dividend when they are in a deficit, why would we as a corporation for the United States of America and as a board of directors give corporations themselves a dividend. It makes absolutely no sense to me.

Ms. JACKSON-LEE. If the gentlewoman would yield.

You remember in 1981 when we got that kind of tax cut when the deficit was then just \$1 trillion, it is now, under the Republican leadership, \$4 trillion.

#### CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. The gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I ask unanimous consent to substitute for the gentleman from Indiana [Mr. BURTON].

The SPEAKER pro tempore. It there objection to the request of the gentlewoman?

There was no objection.

#### THE TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentlewoman for yielding.

I wanted to just get on the record with respect to the remarks of the minority leader, it seems to me that I cannot imagine that the minority lead-

er intended in any way to mislead the House regarding what his motion to recommit was. He talked about four items. In fact, there are more like 15 or 20 items with respect to it.

But I would like to give the minority leader both the benefit of the doubt as well as the opportunity to tell this House that what he had indicated earlier this evening was not a complete statement but it was not meant to be an incomplete statement and to tell the entire House what the complete statement about the motion to recommit really was.

The reason that I think that it is important for him to do that is so that we clear up the cloud with respect to representations about motions to recommit.

Mr. WISE. Mr. Speaker, point of order, point of personal privilege.

Mr. Speaker, I realize this may predate the Speaker somewhat, but several years ago we went through this exact same procedure in which Members, in effect—

Mrs. SMITH of Washington. Mr. Chairman—

Mr. HOKE. The gentleman is not stating a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. WISE. My point of order is that several years ago we went through this procedures where Members would in effect call out other Members on the floor, knowing they were not there. It was agreed, I thought, by rule, if not by rule by comity, that that process would no longer happen. Because, clearly, the minority leader is not here, was not served notice that this was going to happen until 2 minutes before when somebody came over here and said it was.

I would just hope for comity purposes alone we will not engage in this conduct which several years ago both parties rejected.

The SPEAKER pro tempore. We are not aware of any violation of rule from what he said so far.

Mr. WISE. Then point of parliamentary inquiry. Then it is appropriate for a Member to challenge another Members even though they are not here, probably cannot be reached, to challenge them on the floor as though they were there and ask them to come forward knowing that they cannot come forward.

The SPEAKER pro tempore. As long as the Member has not engaged in personalities, which they have not.

Mr. WISE. I thank the Speaker. That is an interesting rule.

The SPEAKER pro tempore. The gentlewoman from Washington may proceed.

Mrs. SMITH of Washington. Mr. Speaker, I would like to yield to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, perhaps we have not made clear what Mr. GEPHARDT'S motion would have meant for the senior citizens of this Nation.

This would eliminate the repeal of the tax on social security benefits. This would eliminate the tax preference for long-term insurance, accelerated death benefits and long-term care benefits. This eliminates the elderly care tax credit. This would eliminate the increase in the Social Security earnings test.

These are not tax cuts to those who do not need it. The Republican deficit reduction tax fairness act is one of the strongest pieces of seniors legislation that this Congress has moved to date, and that is why I am so proud to be an original sponsor of the seniors portion of the legislation.

Essentially, what we have done with this legislation is remove the unfair tax burden that the Democrats imposed on senior citizens in the last session of Congress.

Remember back in 1993 the Democrats imposed a \$25 billion tax on our Nation's elderly. When President Clinton proposed this tax, he said that only the wealthiest Americans would face higher taxes. So, by President Clinton's definition, senior citizens living on fixed incomes as low as \$34,000 are wealthy and ought to pay their fair share.

Well, what President Clinton and the Democrats in Congress did 2 years ago was not fair, and after less than 100 days we have just corrected this injustice.

In terms of New York, my State, my elderly will be able to keep more than \$2.2 billion more of their hard-earned tax dollars, and I can assure you that this is going to benefit people who are definitely in need of a tax break. They do need it.

Two of the other key elements of the deficit and tax reduction package which benefit the senior citizens are the custodial care tax credit and the estate and gift tax exclusion.

All of us have heard a loved one at one time or another say they did not want to go to a retirement home. Well, by instituting a \$500 elder care tax credit, we have started to take steps to ease their minds and their family's financial burden. This helps keep families intact by providing financial assistance to families who might otherwise have to place parents in a nursing home.

I will stand strongly behind these tax provisions that help our seniors of this Nation.

Mrs. SMITH of Washington. Mr. Speaker, we forget how strong the package was for seniors, but I want to talk about working families again, just real quick.

We heard about an average \$120-some tax break. There are not any "quarter" of a children. Next April, under this plan that we just passed, every child will be worth \$500 on the tax return to their parents. So if you have two kids, it is \$1,000. If you have three kids, it is \$1,500. That is actual money that you can use to raise your own children.